

**CITY OF SHOREVIEW
AGENDA
CITY COUNCIL WORKSHOP MEETING
AUGUST 8, 2016
7:00 P.M.**

1. DISCUSSION REGARDING I-35W MANAGEMENT LANE/COUNTY ROAD I ACCESS CHANGES
2. REVIEW OF PRELIMINARY 2017 TAX LEVY
3. OTHER ISSUES
4. ADJOURNMENT

TO: MAYOR, CITY COUNCIL AND CITY MANAGER

FROM: MARK MALONEY, PUBLIC WORKS DIRECTOR

DATE: AUGUST 3, 2016

SUBJ: I-35W FINAL LAYOUT – CO. RD. I ACCESS CHANGES

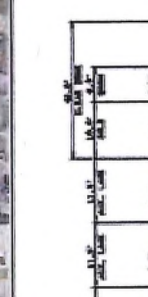
MnDOT has prepared a layout for future improvements to I-35W from Highway 36 in Roseville to Lexington Avenue in Blaine (see attached map). In addition, Ramsey County has begun transportation improvements in the area in conjunction with the Rice Creek Commons development (aka TCAAP property, map attached). Because a one mile long segment of the freeway abuts Shoreview's west border between Co. Rd I and Co. Rd. J, MnDOT is required to seek the City's municipal consent of the 35W layout.

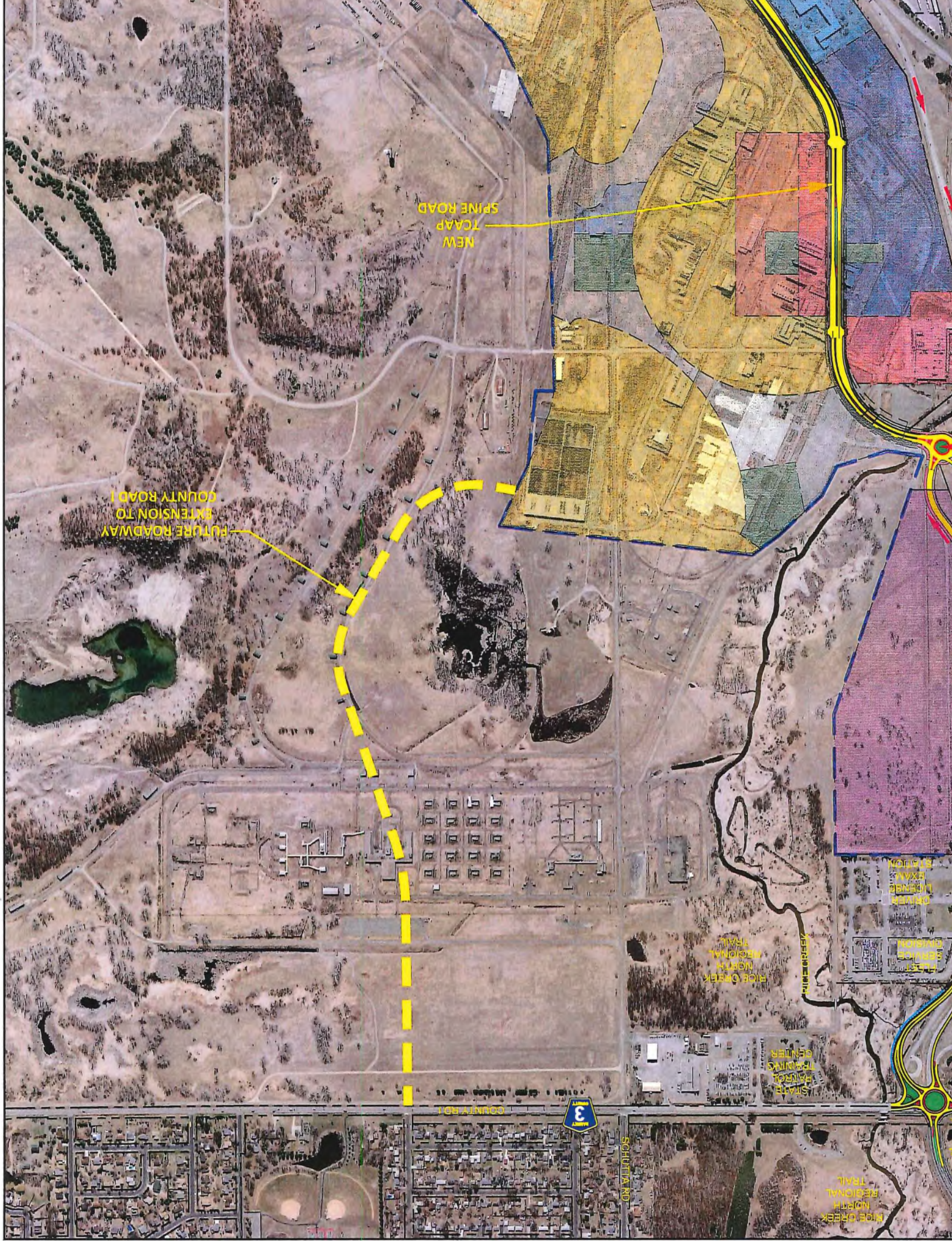
MnDOT previously completed studies concerning the future of the I-35W North Corridor, culminating with the Managed Lane (MnPASS) Corridor Study that was published in June of 2013. That study identified potential design options for the segment of I-35W between Minneapolis and Forest Lake. Since that time, a Staff Advisory Committee (SAC) which includes transportation officials from the affected cities and counties has been involved with the final design process. The SAC helped guide MnDOT's efforts in the areas of Environmental Assessment, Traffic Forecasting/Modeling, Preliminary Layouts and Public Involvement. A number of meetings with the general public as well as elected officials have occurred over the past year to receive input concerning the proposed managed lane improvements for the corridor. A final layout for the proposed improvements has now been forwarded to the communities in the 35W corridor for their consent.

The Shoreview municipal consent process included a public hearing which was held in July; no public input was received at the time of the hearing. Since the time of the hearing, City staff and Council members have received a number of questions and comments on MnDOT's final layout concerning the future removal of the Co. Rd I ramp to go northbound on 35W and/or westbound on Highway 10. Copies of written correspondence received at the time of this report are included for reference. MnDOT's proposal to remove that ramp is tied closely with improvements to the County Road H access to I-35W which are currently under construction as part of the Rice Creek Commons development. Future County improvements will include an access road connecting County Road I to the reconstructed County Road H interchange, which will replace the NB 35W and WB Highway 10 access that is proposed to be removed from County Road I. Representatives of both MnDOT and Ramsey County are scheduled to discuss the sequencing of these improvements with the City Council.

The current proposal by MnDOT requires no financial participation by the City of Shoreview regardless of project timing.

A discussion of the proposed modifications to the County Road I/I-35W ramp access with the City Council that will include representatives from both MnDOT and Ramsey County is scheduled for the workshop meeting. It is anticipated that the City Council will be formally considering action concerning municipal consent for the proposed I-35W Managed Lane project within 90 days of the public hearing as outlined in statutes.





NEW
TCAAP
SPINE ROAD

FUTURE ROADWAY
EXTENSION TO
COUNTY ROAD 1

RICE CREEK
REGIONAL
TRAIL

SMITH
TOWN
CENTER

HARRIS
SERVICE
DIVISION

DRIVER
LICENSE
EXAMINATION

RICE CREEK
REGIONAL
TRAIL

3

SCHOELLER RD

COUNTY ROAD 1



Mark Maloney <mmaloney@shoreviewmn.gov>

Re: ramp 35W north from CTY I

1 message

Sandy Martin <smartin@shoreviewmn.gov>

To: janetmoyer1@gmail.com

Cc: Mark Maloney <mmaloney@shoreviewmn.gov>, Terry Schwerm <TSCHWERM@shoreviewmn.gov>

Mon, Aug 1, 2016 at 1:21 PM

Thanks for your comments, Janet.

The City has been somewhat involved with the planning for this, but it helps us to hear from the residents who are most directly affected.

I am not certain about MnDot's plans for hearings but your comments will be forwarded and included in the info when a resolution is requested.

The City of Shoreview has limited ability to alter these plans, they are complex and there are many factors that must be included in the decision. I certainly understand your concerns.

Best regards,

Sandy Martin
Mayor

> On Jul 27, 2016, at 1:24 PM, janetmoyer1@gmail.com wrote:

- >
- > I am writing to express my concern over the proposed ramp closure of 35WN from CTY RD I. If this happens people in N Shoreview would have to get on at Lexington & 35W and then go South again to get on HWY 10.
- > Lexington Ave is over crowded now and this would add more congestion. I am hoping this will be taken into consideration.
- >
- > Sincerely,
- > Janet Moyer

To the Honorable Sandy Martin and members of the Shoreview City Council:

I was recently made aware by watching the re run of the City Council that there was a Public Hearing on the 35W redevelopment that was not publicized to well. The neighbors and myself in the northern part of Shoreview were not aware at all that there was any kind of hearing.

I would like to ask that those residents in the Edgetown Acres of Shoreview be given an opportunity at some point to comment on the redevelopment of the County Road 1/35 W intersection. In particular the proposed roundabout at that intersection and the potential change to the northbound access to 35W.

I am pretty sure as Council Member Wickstrom commented most residents in that area will not use the Northbound ramp to get on 35W; just because of the current design and the high risk of using that ramp. So it is my belief that most people will not be upset to see that freeway entrance go away as long as there is a means of going south to the Rice Creek Commons area or another convenient means to enter on to the freeway.

Another part of the whole 35W reconstruction that is not being discussed is the whole northern section of County Road 1 from Hamline to 35W. That section of road is very underdeveloped for the amount of traffic that is using it coming from the North. I have spoken with our County Commissioner Mr. Blake Huffman about this section of road and the desperate need to improve this road. It is the last piece of county road in the North Metro that has not been redeveloped. Still only 2 lanes, no turn lanes, no curb and gutter and really very narrow. The development of this road probably goes back to the 1950s. It is in desperate need of repaving. It was beat up pretty badly when 96/10 was redeveloped and all the traffic was pushed on to County Rd. 1. I am also afraid that if this is not improved upon before the 35W redevelopment that once again County Road 1 will be used as a short cut to bypass the freeway reconstruction. The residents of Edgetown Acres/Northern Shoreview have no other way out of our neighborhoods except County Rd 1. Lets at least get City Rd 1 improved before the 35W construction so that it can handle the increased traffic and make it half way convenient and safe for the residents on the northern part of Shoreview.

I hope that the council listens and discusses the concerns of the residents in Northern Shoreview. We are all accepting that 35W needs to be improved. But also please listen to our concerns and comments to make this as easy as possible on the residents of this part of the city.

Best Regards;

Tom Lemke
5577 Schutta Road

July 30, 2016

To: Mayor Sandy Martin

[Mark Maloney](#) - Public Works Director

Ady Wikstrom - Councilmember

I just read the article printed in the July 26th Shoreview Press regarding the closing of the County Rd I Northbound Ramp to 35W and Highway 610.

Thank you Mayor and Councilmember for your concern because of the lack of response from the public at the July 18th hearing. There were no citizens at the hearing. My concern is that the residents of our community do not know of this MnDot proposal. MnDot claims that this ramp is not heavily used and will be included in a future proposal to be removed.

To us as residents, we use this ramp many times, others traveling daily north on 35W or heading west to the northern suburbs. This gives us another option of travel during peak traffic times. There is one thing that I have observed living in Shoreview for 40 years and driving the northern interstate and highways, the northern suburbs have been a low priority with highway construction concerning the transportation system. They have been negligent and very slow to extend lanes on 694. Look how long it took to complete the 610 highway and it is still under construction at the west end in 2016. Are they clueless of the amount of homes being built in the northern suburbs? Southern Twin Cities has far more roadways and the north has always been in a 'catch up' mode. I can remember so many times traveling 694 West passing Silver Lake Road, Central Avenue and University Avenue connections, 2 lanes, crawling/creeping during rush hour traffic.

Please, please continue this 'shout out' to the residents of Shoreview, North Oaks, Mounds View and Lino Lakes. This is a very important ramp that connects us to the northern and western communities. I value our community and we need this ramp included in the MnDot proposal, not as a removal, but a ramp that continues as a connection to our northern and western highways.

Thank you for your concern and effort as we keep Shoreview vibrant and progressive.

Cheryl and Mark Hermann
1080 Lake Oaks Drive
Shoreview, Minnesota 55126



Mark Maloney <mmaloney@shoreviewmn.gov>

Northbound ramp for Co. Rd. I

1 message

CenturyLink Customer <wkram@q.com>
To: mmaloney@shoreviewmn.gov

Wed, Jul 27, 2016 at 3:58 PM

Dear Mr. Maloney,

I just read the article in the 7/26/16 Shoreview Press about the possible closing of the northbound ramp from Co. Rd. I onto 35W. This is the very first time I have heard about this proposal. I always thought that I kept up on local proposals and projects. I don't know how I missed this. I am completely against it. Not only would it eliminate that access point onto 35W but it would also eliminate the Co. Rd. I entry onto Highway 10. I disagree with MNDOT's argument of not wanting to rebuild the ramp when they do more construction on 35W. They don't have to rebuild it, it can just remain as it is.

Was there a public notice of this proposal? The delivery service of the Shoreview Press is very poor in my area (1555 Oakwood Terrace.) Could this be why no one showed up for the public hearing?

Thanks for listening,

Bill Kramlinger

Terry Schwerm <tschwerm@shoreviewmn.gov>

up to North 35W

shoreviewmn.gov
shoreviewmn.gov

Sun, Jul 31, 2016 at 7:55 PM

PM, Kathy Rozman-Holt <krozmanholt@outlook.com> wrote:

potential closing of the on ramp to north 35W. I live in the section of Shoreview that is north of the arsenal and County Rd I. this part of Shoreview use that on ramp. I would also guess that many Shoreview residents who live in northern Shoreview this on ramp, not to mention all of those who live in Moundsview west of this on ramp.

up we would have to drive many more miles to get to a ramp for 35W north. Also our ramp allows us to get on Hwy 10 very other north to get on 35W north we would be backtracking to get on Hwy 10.

vice for keeping this on ramp when the city council meets with the MnDOT in August.

580715&view=pt&q=35W&q=s=true&search=query&th=1564398ec6b5f568&siml=1564398ec6b5f568

TO: Mayor and City Council

FROM: Terry C. Schwerm, City Manager
Fred Espe, Finance Director

DATE: August 3, 2016

RE: Preliminary Tax Levy Adoption

INTRODUCTION

In order to meet statutory requirements for preparation of preliminary tax statements, the City must adopt and certify a preliminary tax levy by September 30, the EDA and City Council must adopt and certify the HRA levy by September 15. This memo provides information about proposed revisions to the adopted 2017 budget (the second year of the biennial budget), in preparation for adoption of a preliminary tax levy. The memo will review the proposed property tax levy, residential property values, General Fund operating budget, and preliminary fund balance projections for tax supported capital funds.

PRELIMINARY TAX LEVY

The table below provides a comparison of the 2017 recommended preliminary levy to the 2016 adopted levy. The adopted biennial budget provided for a 3.84% increase in the City's property tax levy. Changes made during this years' budget review have resulted in an additional levy increase of .08% for a total proposed levy increase of 3.92% shown in the table below.

| Description | 2016 Adopted Levy | 2017 Original Levy | 2017 Recommended Levy | Change from 2016 Adopted to 2017 Recommended Levy | | Impact on Total Levy * |
|--|-------------------------|--------------------------|-----------------------------|--|--------------|------------------------------|
| | | | | Dollars | Percent | |
| General fund | \$ 7,321,858 | \$ 7,638,713 | \$ 7,649,632 | \$ 327,774 | 4.48% | 3.07% |
| EDA | 110,000 | 115,000 | 115,000 | 5,000 | 4.55% | 0.05% |
| Debt (including Cent Garage) | 731,000 | 733,000 | 731,000 | - | 0.00% | 0.00% |
| Street Renewal fund | 1,000,000 | 1,060,000 | 1,060,000 | 60,000 | 6.00% | 0.56% |
| General Fixed Asset Repl fund | 1,475,000 | 1,495,000 | 1,495,000 | 20,000 | 1.36% | 0.19% |
| Capital Acquisition Fund (IT) | 30,000 | 35,000 | 35,000 | 5,000 | 16.67% | 0.05% |
| Total City Levy | \$ 10,667,858 | \$ 11,076,713 | \$ 11,085,632 | \$ 417,774 | 3.92% | 3.92% |
| HRA tax levy | \$ 100,000 | 105,000 | \$ 105,000 | 5,000 | 5.00% | |
| Taxable value (estim for 2017) | \$ 27,549,119 | | \$ 28,733,000 | \$ 1,183,881 | 4.30% | |
| City tax rate (estim for 2017) | 35.357% | | 35.345% | -0.012% | -0.03% | |
| HRA tax rate (estim for 2017) | 0.332% | | 0.336% | 0.004% | 1.20% | |
| Fiscal disparity (estim for 2017) | \$ 927,390 | | \$ 930,000 | \$ 2,610 | 0.28% | |
| Net Tax paid by property owners | \$ 9,740,468 | | \$ 10,155,632 | \$ 415,164 | 4.26% | |
| Change in Tax Paid by Prop Owners | 4.71% | | 4.26% | | | |
| * Percent change in this column is computed as the impact on the "Total City Levy" | | | | | | |

It should be noted that the 2017 taxable values, fiscal disparities and City tax rates shown in the table are estimates. We expect Ramsey County will release preliminary values in Late August (before the preliminary levy is adopted).

RESIDENTIAL PROPERTY VALUES

According to information provided by Ramsey County the median home value in Shoreview will increase from \$253,800 for 2016 taxes, to \$267,300 for 2017 taxes (a 5.3% increase in value). The table at right shows the change in single family home values since 2001.

Ramsey County's most recent Assessment Report states that for suburban Ramsey County, total residential value increased about 4.3%, commercial/industrial values increased 2.6% and apartment values increased 17.9%. The Assessor also reports that within suburban Ramsey County, about 76% of single-family home values increased, 22% of home values decreased and 2% remained the same.

OPERATING BUDGET

Since the 2017 budget is considered an off-year budget, the City's budget process will involve evaluating and approving modifications to the previously adopted budget. No new formal budget documents will be prepared. Instead, Council will authorize amendments to the budget and CIP, and reports will be prepared documenting those changes.

| Year | Median Home Value | Annual Percent Change |
|------|-------------------|-----------------------|
| 2001 | \$155,200 | 8.5% |
| 2002 | 168,400 | 8.5% |
| 2003 | 182,700 | 8.5% |
| 2004 | 207,500 | 13.6% |
| 2005 | 236,250 | 13.9% |
| 2006 | 265,050 | 12.2% |
| 2007 | 279,900 | 5.6% |
| 2008 | 286,600 | 2.4% |
| 2009 | 275,600 | -3.8% |
| 2010 | 262,200 | -4.9% |
| 2011 | 249,350 | -4.9% |
| 2012 | 235,700 | -5.5% |
| 2013 | 222,200 | -5.7% |
| 2014 | 224,500 | 1.0% |
| 2015 | 247,500 | 10.2% |
| 2016 | 253,800 | 2.5% |
| 2017 | 267,300 | 5.3% |

In preparing requested budget revisions, departments were instructed to avoid requesting small/immaterial changes, or changes that net to zero (through an increase in one account with a corresponding decrease in another account within the same activity). In this way the City minimizes small budget modifications that are not significant enough to change the property tax levy.

When originally adopted in December of 2015 the 2017 budget was prepared assuming a 2.5% wage adjustment for regular staff and a \$60 per month increase in the City-share of the health insurance package, these assumptions have not changed. As a reminder, 12 years ago the City changed its health insurance to a high-deductible plan and implemented a VEBA (voluntary employee benefit association) plan that resulted in tremendous cost savings for both the City and employees. During the first few years of this program the City's health insurance premium declined as a result of low usage by City employees and their families. This occurred at a time when most health insurance premiums were increasing 8% to 12% annually. Shoreview's premiums continue to be far lower than Ramsey County (the City's former plan) and many other cities.

General Fund revenue and expense for 2016 and 2017 are shown in the table below. A listing of specific items that impact the tax levy is provided on the next page, along with the estimated percent impact on the total levy.

| | 2016 | 2016 | 2017 | 2017 | Change from | | Change from 2017 | |
|-----------------------|-------------|-------------|-------------|-------------|-------------|---------|------------------|---------|
| | Original | Revised | Original | Requested | 2016 Budget | | Original Budget | |
| | Budget | Estimate | Budget | Budget | Dollars | Percent | Dollars | Percent |
| Revenue | | | | | | | | |
| Property Taxes | \$7,321,858 | \$7,321,858 | \$7,638,713 | \$7,649,632 | \$ 327,774 | 4.5% | \$ 10,919 | 0.1% |
| Licenses & Permits | 354,000 | 515,250 | 317,700 | 323,050 | (30,950) | -8.7% | 5,350 | 1.7% |
| Intergovernmental | 480,622 | 482,622 | 480,622 | 482,622 | 2,000 | 0.4% | 2,000 | 0.4% |
| Charges for Services | 1,224,520 | 1,414,720 | 1,252,000 | 1,246,070 | 21,550 | 1.8% | (5,930) | -0.5% |
| Fines & Forfeits | 42,500 | 42,500 | 42,500 | 42,500 | - | 0.0% | - | 0.0% |
| Interest Earnings | 50,000 | 50,000 | 55,000 | 55,000 | 5,000 | 10.0% | - | 0.0% |
| Other Revenues | 25,450 | 22,309 | 25,650 | 25,650 | 200 | 0.8% | - | 0.0% |
| Total revenue | 9,498,950 | 9,849,259 | 9,812,185 | 9,824,524 | 325,574 | 3.4% | 12,339 | 0.1% |
| Expenses | | | | | | | | |
| General Government | 2,353,929 | 2,358,197 | 2,394,470 | 2,347,389 | (6,540) | -0.3% | (47,081) | -2.0% |
| Public Safety | 3,570,920 | 3,570,920 | 3,691,870 | 3,745,270 | 174,350 | 4.9% | 53,400 | 1.4% |
| Public Works | 1,559,750 | 1,548,400 | 1,597,377 | 1,608,685 | 48,935 | 3.1% | 11,308 | 0.7% |
| Parks and Recreation | 1,781,505 | 1,768,502 | 1,892,649 | 1,888,744 | 107,239 | 6.0% | (3,905) | -0.2% |
| Community Development | 645,846 | 668,157 | 664,819 | 663,436 | 17,590 | 2.7% | (1,383) | -0.2% |
| Total expenditures | 9,911,950 | 9,914,176 | 10,241,185 | 10,253,524 | 341,574 | 3.4% | 12,339 | 0.1% |
| Other Sources (Uses) | | | | | | | | |
| Transfers In | 811,000 | 811,000 | 837,000 | 837,000 | 26,000 | 3.2% | - | 0.0% |
| Transfers Out | (398,000) | (398,000) | (408,000) | (408,000) | (10,000) | 2.5% | - | 0.0% |
| Net increase | \$ - | \$ 348,083 | \$ - | \$ - | | | | |

A more detailed summary for the General Fund is attached to this report.

The first section of the box shows changes resulting from a reevaluation of all General Fund revenues to reflect current development activity, preliminary capital projects, and transfers from Utility funds. All revenue changes combined account for a 0.22% decrease in the total tax levy.

The second section of the box shows changes in General Fund expenditures. These items account for 3.30% increase in the total proposed tax levy.

The net impact of General Fund changes is a 3.07% increase in the total tax levy.

The EDA, debt funds and capital funds account for a 0.84% increase in the tax levy (for a combined change in the levy of 3.92%).

| Note: (brackets) indicate a decrease in the tax levy | | 2017 | |
|--|--|------------------------|---------------------------|
| | | Increase (Decrease) | % Impact on Total Levy |
| General Fund Revenue Changes | | | |
| License and permits | | 30,950 | |
| MSA Maintenance | | (2,000) | |
| Administrative charges to other funds | | (18,800) | |
| Administrative charges to capital projects | | 10,000 | |
| Engineering fees | | (15,000) | |
| Plan check fees | | 5,000 | |
| Earnings on investments | | (5,000) | |
| Other revenues | | (2,950) | |
| Transfer from Utility Funds (PILOT) | | (26,000) | |
| General Fund Revenue Changes | | (23,800) | -0.22% |
| General Fund Expenditure Changes | | | |
| Wages full time employees | | 73,785 | |
| Wages full time employees - overtime | | (2,900) | |
| Wages part-time employees regular | | (26,831) | |
| Wages associate employees - regular | | (13,821) | |
| PERA | | 10,147 | |
| FICA | | 2,679 | |
| Group insurance | | 38,207 | |
| Workers' compensation | | 4,610 | |
| Community survey | | 28,000 | |
| Election | | (24,500) | |
| Property/Liability insurance | | 2,950 | |
| Police | | 120,200 | |
| Fire | | 54,100 | |
| Central Garage equipment/building charges | | 6,020 | |
| Supplies | | 4,940 | |
| Community Center building charge | | 9,100 | |
| Postage | | (3,000) | |
| Tree removal | | 8,749 | |
| Traffic count studies | | 6,000 | |
| Public Works - ADA transition plan | | 10,000 | |
| Computer maintenance/support | | 21,169 | |
| Misc. other adjustments | | 11,970 | |
| Transfers out | | | |
| Community Center | | 8,000 | |
| Recreation Programs | | 2,000 | |
| General Fund Expenditure Changes | | 351,574 | 3.30% |
| Total General Fund changes | | 327,774 | 3.07% |
| Levy Changes in All Other Funds | | | |
| EDA Levy | | 5,000 | |
| Debt (Debt & Central Garage funds) | | - | |
| Street Renewal fund | | 60,000 | |
| General Fixed Asset fund | | 20,000 | |
| Information Technology fund | | 5,000 | |
| Levy Changes in All Other Funds | | 90,000 | 0.84% |
| Total Change in City Levy | | 417,774 | 3.92% |
| HRA Levy | | 5,000 | 5.00% |
| Total Levy | | 422,774 | 3.93% |

Below is a brief listing of specific items having an impact on the 2017 tax levy:

- Revenue changes reflect slightly lower permit-related revenues, a slight increase in MSA maintenance revenue, increased administrative charges, higher engineering fees for capital projects and higher earnings on investments.
- Elimination of the Human Resources management assistant and Park and Recreation office tech part-time regular positions results in a \$34,412 impact on the levy.
- Wage costs include a 2.5% wage adjustment, a \$60 per month increase in the City contribution for health insurance, contributions to PERA and social security, and step increases for employees not yet at the regular rate of pay for the position.
- Workers' compensation costs increased by \$4,610 due to rate changes.
- An allowance of \$28,000 is included for a community survey.
- Election costs are deleted for 2017.
- Property/liability insurance rates are increasing slightly in 2017.
- Police costs are increasing \$120,200 or 5.8% due to cost of living and health insurance adjustments and an additional investigator position due to increased caseloads.
- Fire service costs are increasing \$54,100 or 3.7%, due primarily to the addition of a full-time Deputy Chief position.
- Central garage charges paid by the General Fund are up due to equipment replacements.
- Office and cleaning supplies increased slightly.
- Community Center building charges increased due to the operation and maintenance of City Hall.
- Postage decreased slightly.
- Tree removal costs are up as a result of anticipated costs associated with the Emerald Ash Borer (EAB) disease.
- Public Works Administration and Engineering contractual fees are up as a result of costs associated with traffic counts and an ADA transition plan.
- Information system costs increased due to maintenance and support related to the new financial software.
- The impact of all other General Fund changes net to an \$11,970 increase.
- The EDA and HRA levies each increase \$5,000 to cover additional staff time dedicated to EDA, HRA and Economic Development Commission costs.
- Combined debt levies remain the same, for existing debt funds and maintenance center debt.

MAJOR TAX SUPPORTED CAPITAL FUNDS

Before adoption of the preliminary tax levy, staff wishes to report on projected fund balances for major capital funds. Projections are shown on the next three pages.

Street Renewal Fund projections indicate that tax levy increases ranging from \$55,000 to \$76,000 per year through 2020 will support planned projects. Planned activity causes the fund to fall below the minimum \$2,000,000 fund balance in 2021.

| Street Renewal Fund Capital Projections | Actual 2015 | Estimated 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | | |
| Property taxes | \$ 945,109 | \$ 1,000,000 | \$ 1,060,000 | \$ 1,124,000 | \$ 1,191,000 | \$ 1,262,000 | \$ 1,338,000 |
| Assessments | 23,654 | 12,696 | 12,696 | 127,696 | 6,880 | 6,880 | 6,880 |
| Investment interest | 33,401 | 28,000 | 33,000 | 34,000 | 42,000 | 47,000 | 41,000 |
| Total Revenues | \$ 1,002,164 | \$ 1,040,696 | \$ 1,105,696 | \$ 1,285,696 | \$ 1,239,880 | \$ 1,315,880 | \$ 1,385,880 |
| Expense | | | | | | | |
| Street condition survey | 9,510 | 8,000 | 8,500 | 8,500 | 9,000 | 9,000 | 9,500 |
| Sealcoat and crack fill | 303,837 | 325,400 | 336,700 | 339,700 | 346,000 | 352,500 | 359,100 |
| Street rehabilitation current projects: | | | | | | | |
| Railroad crossing quiet zones | 68,483 | 1,017 | - | - | - | - | - |
| Grand Avenue reconstruction | - | 372,000 | - | - | - | - | - |
| Turtle Lane neighborhood | 717,705 | - | - | - | - | - | - |
| Windward Heights neighborhood | 3,180 | 665,400 | 766,500 | - | - | - | - |
| Bridge/Lion neighborhood | - | - | - | 873,000 | - | - | - |
| Wabasso neighborhood | - | - | - | - | 472,200 | - | - |
| Dale Alley | - | - | - | - | 125,000 | - | - |
| Edgetown Acres-Schutta/Lois/Hillview | - | - | - | - | - | 1,337,800 | 1,457,600 |
| Total Expense | \$ 1,102,715 | \$ 1,371,817 | \$ 1,111,700 | \$ 1,221,200 | \$ 952,200 | \$ 1,699,300 | \$ 1,826,200 |
| Other Sources (Uses) | | | | | | | |
| Transfers in/General fund | 419,730 | - | - | - | - | - | - |
| Total Other Sources (Uses) | \$ 419,730 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net change | 319,179 | (331,121) | (6,004) | 64,496 | 287,680 | (383,420) | (440,320) |
| Fund equity, beginning | 2,400,134 | 2,719,313 | 2,388,192 | 2,382,188 | 2,446,684 | 2,734,364 | 2,350,944 |
| Fund equity, ending | \$ 2,719,313 | \$ 2,388,192 | \$ 2,382,188 | \$ 2,446,684 | \$ 2,734,364 | \$ 2,350,944 | \$ 1,910,624 |
| Years of capital coverage (avg expense) | 2.1 | 1.8 | 1.8 | 1.8 | 2.1 | 1.8 | 1.4 |
| Tax levy percent change | 7.4% | 5.8% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Average annual percent change (taxes) 2015 – | | 6.6% | 6.4% | 6.3% | 6.2% | 6.2% | 6.2% |

General Fixed Asset Fund projections indicate that tax levy increases ranging from \$10,000 to \$55,000 per year through 2021 will support planned projects. In order to avoid a fund deficit in 2017 projects will have to be delayed until future years. Starting in 2018, the increase in the General Fixed Asset Fund share of the levy is projected to increase .7% (\$10,000) annually, unless capital projections change, requiring higher levies.

| General Fixed Asset Fund | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Capital Projections | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenue | | | | | | | |
| Property taxes | \$ 1,420,223 | \$ 1,475,000 | \$ 1,495,000 | \$ 1,505,000 | \$ 1,515,000 | \$ 1,525,000 | \$ 1,535,000 |
| Investment interest | 10,518 | 10,000 | 7,000 | 7,000 | 14,000 | 25,000 | 32,000 |
| Other | 112,861 | 75,000 | - | - | - | - | - |
| Total Revenues | \$ 1,543,602 | \$ 1,560,000 | \$ 1,502,000 | \$ 1,512,000 | \$ 1,529,000 | \$ 1,550,000 | \$ 1,567,000 |
| Expense | | | | | | | |
| Fire stations & equipment | 211,112 | 114,917 | 559,178 | 124,992 | 141,050 | 128,960 | 62,000 |
| Warning sirens | 18,407 | 20,990 | 32,000 | - | 33,000 | - | 22,000 |
| Municipal buildings | 265,733 | 616,781 | 723,000 | 303,000 | 425,000 | 230,000 | 427,600 |
| Park facilities | 183,846 | 110,000 | 821,000 | 328,000 | 233,200 | 86,000 | 65,800 |
| Trails | 60,586 | 75,000 | 140,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Total Expense | \$ 739,684 | \$ 937,688 | \$ 2,275,178 | \$ 835,992 | \$ 912,250 | \$ 524,960 | \$ 657,400 |
| Other Sources (Uses) | | | | | | | |
| Sale of capital assets | 4,107 | - | - | - | - | - | - |
| Transfers out/Capital Imprv (IT) fund | (178,239) | (537,866) | (90,000) | (205,000) | (186,000) | (161,000) | (132,000) |
| Transfers out/debt funds | (180,000) | (180,000) | (180,000) | (180,000) | (180,000) | (180,000) | (180,000) |
| Total Other Sources (Uses) | \$ (354,132) | \$ (717,866) | \$ (270,000) | \$ (385,000) | \$ (366,000) | \$ (341,000) | \$ (312,000) |
| Net change | 449,786 | (95,554) | (1,043,178) | 291,008 | 250,750 | 684,040 | 597,600 |
| Fund equity, beginning | 675,302 | 1,125,088 | 1,029,534 | (13,644) | 277,364 | 528,114 | 1,212,154 |
| Fund equity, ending | \$ 1,125,088 | \$ 1,029,534 | \$ (13,644) | \$ 277,364 | \$ 528,114 | \$ 1,212,154 | \$ 1,809,754 |
| Months of average capital coverage | 9.7 | 8.9 | (0.1) | 2.4 | 4.5 | 10.4 | 15.6 |
| Tax levy percent change | 7.6% | 3.9% | 1.4% | 0.7% | 0.7% | 0.7% | 0.7% |
| Average annual percent change (taxes) 2015 – | | 5.7% | 4.3% | 3.4% | 2.8% | 2.5% | 2.2% |

Information Technology Fund projections indicate that tax levy increases equal to \$5,000 per year through 2018, and \$10,000 in 2020 will support planned technology purchases. The small tax levy is intended to assist in funding new technology purchases that cannot be funded through replacement funds.

| Information Technology Fund Capital Projections | Estimated 2015 | Projected 2016 | Projected 2017 | Projected 2018 | Projected 2019 | Projected 2020 | Projected 2021 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | | | |
| Property taxes | \$ 24,855 | \$ 30,000 | \$ 35,000 | \$ 40,000 | \$ 40,000 | \$ 50,000 | \$ 50,000 |
| Investment interest | - | 400 | 400 | 1,100 | 1,600 | 1,600 | 1,600 |
| Total Revenues | \$ 24,855 | \$ 30,400 | \$ 35,400 | \$ 41,100 | \$ 41,600 | \$ 51,600 | \$ 51,600 |
| Expense | | | | | | | |
| Computer equipment/software | 206,873 | 582,266 | 148,200 | 211,900 | 186,800 | 176,800 | 215,800 |
| Total Expense | \$ 206,873 | \$ 582,266 | \$ 148,200 | \$ 211,900 | \$ 186,800 | \$ 176,800 | \$ 215,800 |
| Other Sources (Uses) | | | | | | | |
| Transfers in/Gen Fixed Asset Fund | 178,239 | 537,866 | 90,000 | 205,000 | 186,000 | 161,000 | 132,000 |
| Transfers in/Water Fund | 249 | - | 3,400 | - | 400 | - | - |
| Transfers in/Sewer Fund | 249 | - | 3,400 | - | 400 | 400 | 400 |
| Transfers in/Central Garage Fund | - | 1,000 | 14,000 | - | - | - | - |
| Total Other Sources (Uses) | \$ 178,737 | \$ 538,866 | \$ 110,800 | \$ 205,000 | \$ 186,800 | \$ 161,400 | \$ 132,400 |
| Net change | (3,281) | (13,000) | (2,000) | 34,200 | 41,600 | 36,200 | (31,800) |
| Fund equity, beginning | 36,096 | 32,815 | 19,815 | 17,815 | 52,015 | 93,615 | 129,815 |
| Fund equity, ending | \$ 32,815 | \$ 19,815 | \$ 17,815 | \$ 52,015 | \$ 93,615 | \$ 129,815 | \$ 98,015 |
| Months of capital coverage (avg exp) | 1.6 | 1.0 | 0.9 | 2.5 | 4.5 | 6.3 | 4.8 |

A more detailed discussion regarding the capital improvement program will be held at a workshop meeting this fall.

SUMMARY

Staff is seeking Council input on the proposed preliminary tax levy prior to adoption in September. The HRA levy needs to be adopted at the Council's September 6, 2016 meeting, while the City's preliminary levy does not need to be adopted until the Council's second meeting in September. In prior years, the City Council has adopted both of these levies at the same meeting (first meeting in September). These levies are then used by the County to prepare the preliminary tax notices that are sent out in late November.

General Fund - Fund Summary

| City of Shoreview, Minnesota | | | | 2016 | | | | 2017 | | Budget Changes | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|----------------|--------------|-----------------|--------------|---|---------|---|---------|
| General Fund - Fund Summary | | | | 2015 | | 2016 | | 2017 | | 2016 Orig Budget to 2017 Requested Budget | | 2017 Orig Budget to 2017 Requested Budget | |
| | Actual | Budget | Revised Estimate | Original Adopted | Requested Budget | Dollar | Percent | Dollar | Percent | Dollar | Percent | Dollar | Percent |
| Revenue | | | | | | | | | | | | | |
| Property Taxes | \$ 7,008,972 | \$ 7,321,858 | \$ 7,321,858 | \$ 7,638,713 | \$ 7,649,632 | \$ 327,774 | 4.5% | \$ 10,919 | 0.1% | | | | |
| Licenses and Permits | 500,102 | 354,000 | 515,250 | 317,700 | 323,050 | (30,950) | -8.7% | 5,350 | 1.7% | | | | |
| Intergovernmental | 541,105 | 480,622 | 482,622 | 480,622 | 482,622 | 2,000 | 0.4% | 2,000 | 0.4% | | | | |
| Charges for Services | 1,400,266 | 1,224,520 | 1,414,720 | 1,252,000 | 1,246,070 | 21,550 | 1.8% | (5,930) | -0.5% | | | | |
| Fines and Forfeits | 52,581 | 42,500 | 42,500 | 42,500 | 42,500 | - | 0.0% | - | 0.0% | | | | |
| Interest Earnings | 54,212 | 50,000 | 50,000 | 55,000 | 55,000 | 5,000 | 10.0% | - | 0.0% | | | | |
| Other Revenues | 30,077 | 25,450 | 22,309 | 25,650 | 25,650 | 200 | 0.8% | - | 0.0% | | | | |
| Total Revenue | 9,587,315 | 9,498,950 | 9,849,259 | 9,812,185 | 9,824,524 | 325,574 | 3.4% | 12,339 | 0.1% | | | | |
| Expense | | | | | | | | | | | | | |
| General Government | | | | | | | | | | | | | |
| Council and Commissions | \$ 144,762 | \$ 156,597 | \$ 155,597 | \$ 164,622 | \$ 164,622 | \$ 8,025 | 5.1% | \$ - | 0.0% | | | | |
| Administration | 550,877 | 575,203 | 560,933 | 592,525 | 585,380 | 10,177 | 1.8% | (7,145) | -1.2% | | | | |
| Human Resources | 256,915 | 295,128 | 279,986 | 303,785 | 287,875 | (7,253) | -2.5% | (15,910) | -5.2% | | | | |
| Elections | 1,498 | 39,574 | 53,574 | 4,000 | 7,000 | (32,574) | -82.3% | 3,000 | 75.0% | | | | |
| Communications | 213,206 | 235,448 | 222,848 | 243,951 | 230,751 | (4,697) | -2.0% | (13,200) | -5.4% | | | | |
| Finance and Accounting | 520,585 | 571,295 | 576,765 | 598,380 | 571,987 | 692 | 0.1% | (26,393) | -4.4% | | | | |
| Information Systems | 329,883 | 348,684 | 376,494 | 355,207 | 367,774 | 19,090 | 5.5% | 12,567 | 3.5% | | | | |
| Legal | 110,997 | 132,000 | 132,000 | 132,000 | 132,000 | - | 0.0% | - | 0.0% | | | | |
| Sub-total | 2,128,723 | 2,353,929 | 2,358,197 | 2,394,470 | 2,347,389 | (6,540) | -0.3% | (47,081) | -2.0% | | | | |
| Public Safety | | | | | | | | | | | | | |
| Police | 2,044,230 | 2,096,500 | 2,096,500 | 2,179,600 | 2,216,700 | 120,200 | 5.7% | 37,100 | 1.7% | | | | |
| Fire | 1,414,747 | 1,474,420 | 1,474,420 | 1,512,270 | 1,528,570 | 54,150 | 3.7% | 16,300 | 1.1% | | | | |
| Emergency Services | 2,588 | - | - | - | - | - | 0.0% | - | 0.0% | | | | |
| Sub-total | 3,461,565 | 3,570,920 | 3,570,920 | 3,691,870 | 3,745,270 | 174,350 | 4.9% | 53,400 | 1.4% | | | | |
| Public Works | | | | | | | | | | | | | |
| Public Works Adm and Engin. | 407,695 | 434,492 | 441,754 | 434,502 | 449,189 | 14,697 | 3.4% | 14,687 | 3.4% | | | | |
| Streets | 817,074 | 871,799 | 845,497 | 899,998 | 885,783 | 13,984 | 1.6% | (14,215) | -1.6% | | | | |
| Trail Management | 104,610 | 131,148 | 131,264 | 135,986 | 139,163 | 8,015 | 6.1% | 3,177 | 2.3% | | | | |
| Forestry and Nursery | 89,094 | 122,311 | 129,885 | 126,891 | 134,550 | 12,239 | 10.0% | 7,659 | 6.0% | | | | |
| Sub-total | 1,418,473 | 1,559,750 | 1,548,400 | 1,597,377 | 1,608,685 | 48,935 | 3.1% | 11,308 | 0.7% | | | | |

City of Shoreview, Minnesota
General Fund - Fund Summary

| | 2015 Actual | 2016 | | 2017 | | Budget Changes | | | |
|----------------------------|----------------|-----------|---------------------|---------------------|---------------------|--|---------|--|---------|
| | | Budget | Revised Estimate | Original Adopted | Requested Budget | 2016 Orig Budget to 2017 Requested Budget | | 2017 Orig Budget to 2017 Requested Budget | |
| | | | | | | Dollar | Percent | Dollar | Percent |
| | | | | | | | | | |
| Parks and Recreation | | | | | | | | | |
| Municipal Buildings | 132,160 | 117,633 | 124,333 | 121,286 | 127,686 | 10,053 | 8.5% | 6,400 | 5.3% |
| Park/Recreation Admin. | 377,373 | 387,297 | 367,294 | 471,455 | 460,750 | 73,453 | 19.0% | (10,705) | -2.3% |
| Park Maintenance | 1,225,236 | 1,276,575 | 1,276,875 | 1,299,908 | 1,300,308 | 23,733 | 1.9% | 400 | 0.0% |
| Sub-total | 1,734,769 | 1,781,505 | 1,768,502 | 1,892,649 | 1,888,744 | 107,239 | 6.0% | (3,905) | -0.2% |
| Community Development | | | | | | | | | |
| Planning and Zoning Admin. | 444,113 | 484,478 | 486,789 | 500,217 | 498,834 | 14,356 | 3.0% | (1,383) | -0.3% |
| Building Inspection | 170,216 | 161,368 | 181,368 | 164,602 | 164,602 | 3,234 | 2.0% | - | 0.0% |
| Sub-total | 614,329 | 645,846 | 668,157 | 664,819 | 663,436 | 17,590 | 2.7% | (1,383) | -0.2% |
| Total Expense | 9,357,859 | 9,911,950 | 9,914,176 | 10,241,185 | 10,253,524 | 341,574 | 3.4% | 12,339 | 0.1% |
| Other Sources (Uses) | | | | | | | | | |
| Transfers In | 748,000 | 811,000 | 811,000 | 837,000 | 837,000 | 26,000 | 3.2% | - | 0.0% |
| Transfers Out | (797,730) | (398,000) | (398,000) | (408,000) | (408,000) | (10,000) | 2.5% | - | 0.0% |
| Net Increase (Decrease) | \$ 179,726 | \$ - | \$ 348,083 | \$ - | \$ - | | | | |